



## GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

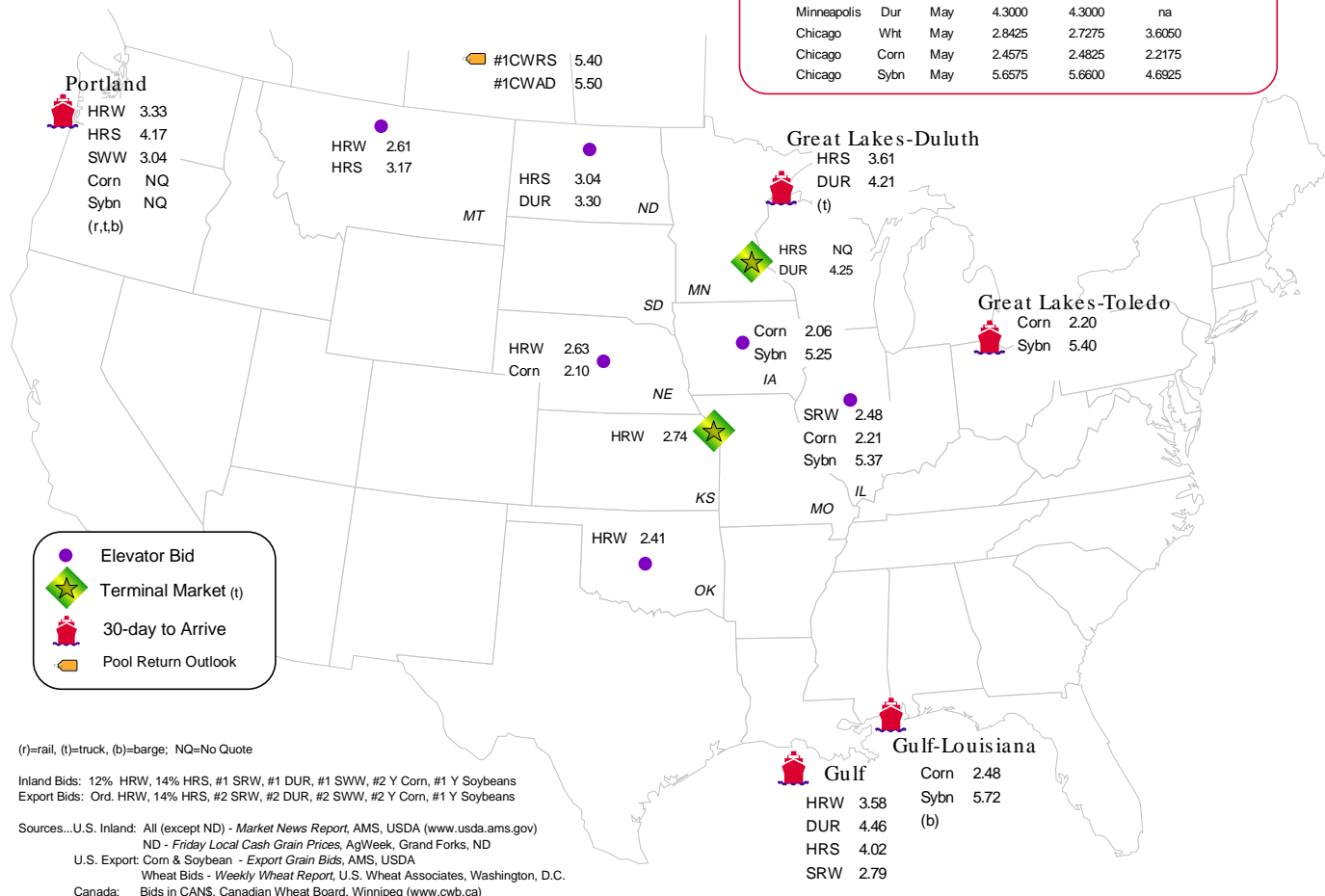


MAY 16, 2000

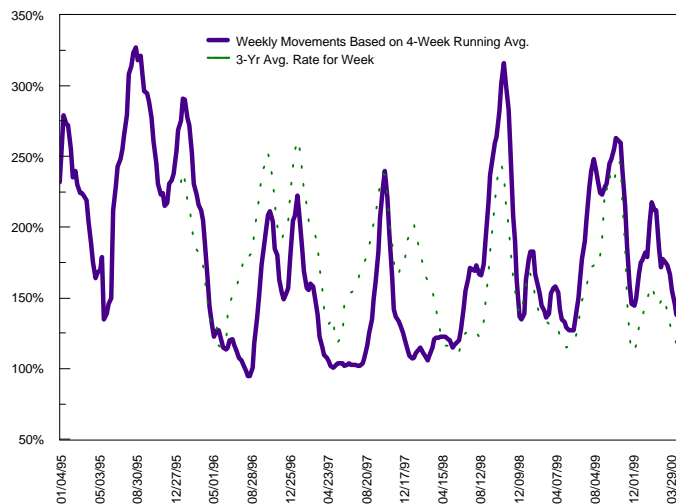
**PNTR Vote an Uphill Battle for Both Sides.** As a House of Representatives vote draws near on whether to grant China permanent normal trade relations (PNTR), opposing political forces are still split on approval of the bill. "It will go down to the wire," according to U.S. Secretary of Commerce, William Daley. "We don't have, at this point, the 218 votes to pass it, and the opposition doesn't have 218 votes," Daley stated earlier this week. PNTR will allow U.S. companies increased access to China by allowing U.S. products and commodities market-opening tariff reductions. Since 1980, Congress has voted annually to extend normal trade to China. It is the continuance of this annual review that many, particularly those in opposition to PNTR such as labor leaders and human rights advocates, feel is necessary to keep China pointed in the direction of improving issues regarding human rights and labor standards. The assertion of American union leaders is that the bill would lead to the transfer of U.S. manufacturing jobs to China, which offers low-wage labor with poor labor standards that violate workers rights. According to John Sweeney, AFL-CIO president, "there is absolutely no good reason...to support permanent normalized trade relations with China." The benefits, however, particularly to agriculture, appear to be overwhelming. U.S. Secretary of Agriculture, Dan Glickman, is confident of the great opportunity that PNTR and China's eventual admittance into the World Trade Organization (WTO) will provide to U.S. agriculture. "It's got high stakes for agriculture," according to Glickman. "Over all, agriculture is probably more unanimous of its support of PNTR than any other industry," he stated. Currently the sixth largest market in the world for U.S. agricultural products, China is expected to account for approximately one-third of the growth in U.S. agricultural exports during the next decade. Speaking recently to business and community leaders in his hometown of Wichita, KS, Glickman also referenced issues of national security, such as the "immense power" of China and its the "tenuous" relationship with Taiwan, which could involve the U.S. if not resolved peacefully. "Our vote on this is far more important than how much wheat we sell, or citrus we sell, or meat we sell, or airplanes we sell; this is a classic case that our country is better off engaging than disengaging," Glickman stated. Furthermore, it is also reported that China will likely be admitted into the WTO by next year, whether or not the U.S. grants PNTR. That will be decided by the WTO's working group and a two-thirds vote of the 135 WTO member-countries. Failure of the U.S. to grant PNTR would, therefore, essentially place the U.S. at a substantial trade disadvantage, while other WTO nations would be allowed trade with few barriers, according to Senator Dianne Feinstein (D-CA). "To think that we would turn this agreement down is incomprehensible," states Secretary Glickman. Seeking to compromise with those in opposition, Rep. Sander M. Levin (D-MI) and Rep. Doug Bereuter (D-NE) offered a bipartisan proposal last week. The proposal would essentially set yearly reviews of China's handling of labor and human rights, protect U.S. businesses from sharp increases in Chinese imports into the U.S., and review China's compliance with trade agreements. Although China has been quick to condemn such a proposal as interference into its internal affairs, Secretary of Commerce Daley states that without passage of the Levin-Bereuter plan, it could be "impossible" to garner enough Democratic votes to pass PNTR. In any event, the House vote during the week of May 22 will be close. To date, no side has gained the lead. As Rep. Benjamin Cardin (D-MD) states, "this is Congress at its finest hour. The system is working. The members are working. The interest groups are fairly balanced." (*BridgeNews 5/15, LA Times 5/12, Washington Times 5/14/15/16, AP 5/13/15, NY Times 5/14, Chicago Tribune 5/11, Reuters 5/12/14*)

**Sanctions On Cuba To Be Debated Next Week.** Members of the U.S. House and Senate are soon expected to debate a proposal that would exempt food and medicine from U.S. trade sanctions on Cuba. "The time has come to stop using food and medicine as a weapon," according to Sen. Byron Dorgan (D-ND). Sales of food and medicine to Cuba by U.S. exporters through subsidiaries totaled roughly \$719 million during 1991. These U.S. sales were lost, however, due to the Cuba Democracy Act of 1992, which allowed other Cuban trading partners to increase their share of the Cuban market, of which foodstuffs alone have reportedly produced \$750 million in sales. Cuban trade was tightened even further with the hotly debated and internationally controversial 1996 Helms-Burton Act. The Act was intended to essentially promote democracy by imposing sanctions on foreign companies doing business in Cuba, thereby discouraging foreign investments in Cuba. However, the international scope of the U.S. policy drew sharp criticism of the U.S. by foreign governments, many claiming the U.S. was attempting to control their foreign policies and their companies. Also, following the 1996 signing of the bill, leading trading partners, including the European Union, Canada, and Mexico, stated the belief that "engagement, not sanctions" would be the best way to reform the Cuban Government. Cosponsor of the bill, Sen. Jesse Helms (R-NC), chairman of the Senate Foreign Relations Committee, remains a strong opponent of lifting Cuban sanctions, stating, "I continue to oppose passage of any measure that will soften sanctions on the brutal regime of Fidel Castro." The proposal pending in Congress would exempt food and medicine from unilateral U.S. embargoes, would not offer export credits to formerly sanctioned countries, and would require 1-year licenses for any sales to Cuban and other nations listed by the U.S. as sponsors of terrorism. The exemption will reportedly be attached to the annual agriculture funding bill. (*Reuters 5/12, LA Times 5/15, [www.ciponline.org/loosecan.htm](http://www.ciponline.org/loosecan.htm), [www.pbs.org/newshour/forum/july96.html](http://www.pbs.org/newshour/forum/july96.html)*)

Futures:				Week Ago	Year Ago
			05/12/00	05/05/00	05/14/99
Kansas City	Wht	May	3.0625	2.9650	2.8225
Minneapolis	Wht	May	3.3725	3.4275	3.2550
Minneapolis	Dur	May	4.3000	4.3000	na
Chicago	Wht	May	2.8425	2.7275	3.6050
Chicago	Corn	May	2.4575	2.4825	2.2175
Chicago	Sybn	May	5.6575	5.6600	4.6925



## Index - Percent of Tariff Rate



The graph displays the average cost per car for two trading strategies, BNSF-SWAP and UP-POOL, over a three-year period. The Y-axis represents the average cost in dollars per car, ranging from (\$100) to \$300. The X-axis represents the delivery month and year, from September 1997 to October 2000. A horizontal line at \$0 indicates the tariff rate. Both strategies show a similar pattern of volatility, with peaks around \$230 and troughs around (\$150). The UP-POOL strategy generally shows higher costs than the BNSF-SWAP strategy, especially during the peak periods.

Delivery Month-Year	BNSF-SWAP (\$/Car)	UP-POOL (\$/Car)
Sep-97	80	105
Oct-97	175	200
Nov-97	180	230
Dec-97	125	220
Jan-98	65	140
Feb-98	-10	75
Mar-98	-90	10
Apr-98	-130	-20
May-98	-150	-30
Jun-98	-90	0
Jul-98	-30	45
Aug-98	60	105
Sep-98	120	155
Oct-98	165	190
Nov-98	110	140
Dec-98	35	65
Jan-99	-10	15
Feb-99	-30	5
Mar-99	-40	0
Apr-99	-45	-10
May-99	-30	-5
Jun-99	-10	10
Jul-99	-5	30
Aug-99	30	60
Sep-99	65	95
Oct-99	70	100
Nov-99	10	25
Dec-99	-35	-10
Jan-00	-40	-20
Feb-00	-40	-30
Mar-00	-30	-40
Apr-00	-45	-35
May-00	-40	-30
Jun-00	-35	-10
Jul-00	-20	10
Aug-00	-10	25
Sep-00	0	35
Oct-00	10	40

<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	May-00		July-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	12,000	17%	12,000	58%
<b>UP-GCAS</b>	5,400	1%	5,400	1%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	May-00	Jun-00	Jul-00	Aug-00
BNSF-GF	\$(34)	\$(45)	\$(38)	\$(5)
UP-Pool	\$(13)	\$(24)	\$(4)	\$14

Source: T&amp;M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only &amp; are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-00	Jul-00	Aug-00
COT/N. Grain	no bid	no bid	\$14
COT/S. Grain	\$0	\$0	\$1
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended*	River/Region	Contract Period	Rate
5/11/00	Illinois River St. Louis	nwk	125
		twk	105
		Oct.	220*
		Jan.	110
	Mid Miss.	June	147.5**
		June	145**
		July	155
	Twin Cities	June	175**
		July	190**

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

**Southbound Barge Freight Spot Rates**

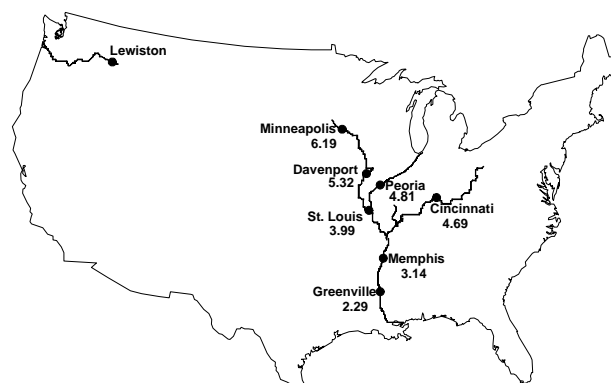
	5/10/00	5/3/00	June '00	Aug '00
Twin Cities	163	173	181	213
Mid-Mississippi	133	142	150	183
Illinois River	127	136	141	176
St. Louis	105	107	115	159
Lower Ohio	114	118	123	168
Cairo-Memphis	98	100	111	156

Source: Transportation & Marketing /AMS/USDA  
nq=no quote

percentage for bid rates, except:

(\*) percentage for offered rate

(\*\*) percentage for traded rate

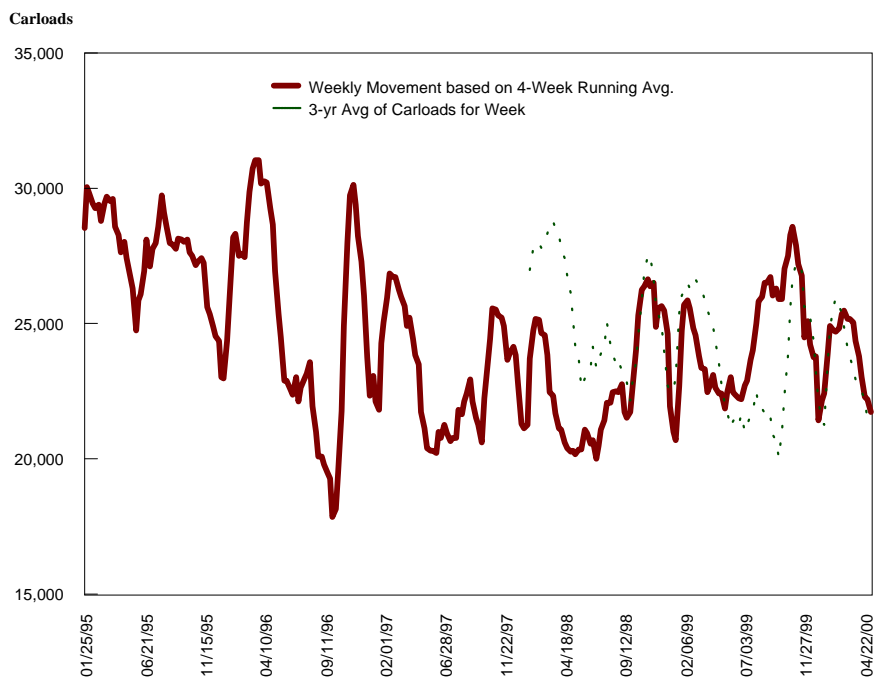
**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/22/00	21,316
4/29/00	22,675
5/6/00	20,909
Year to Date - 2000	434,124
Year to Date - 1999	426,449
Total 1999	1,269,741

\*\*1998 - 52 weeks

\* 1997 - 53 weeks



## Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>			<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
05/06/00	0	2,999	1,652	2,856	5,533	495	7,374	2,688	3,970
This Week Last Year	566	2,248	1,792	2,840	7,813	716	7,304	2,617	4,334
2000 YTD	0	51,871	32,787	53,370	145,964	10,762	139,370	51,185	80,356
1999 YTD	13,723	45,500	26,621	46,095	145,328	13,300	135,882	36,656	57,603
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks

## Tariff Rail Rates for Unit Train Shipments

May 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/05/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
05/05/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/05/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
05/05/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
05/05/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
05/05/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
05/05/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
05/05/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
05/05/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
05/05/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

**Rail Deliveries to Port**

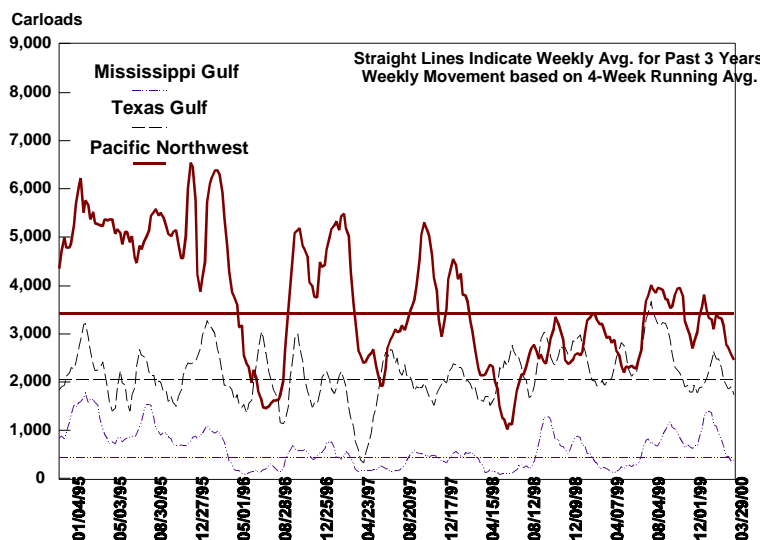
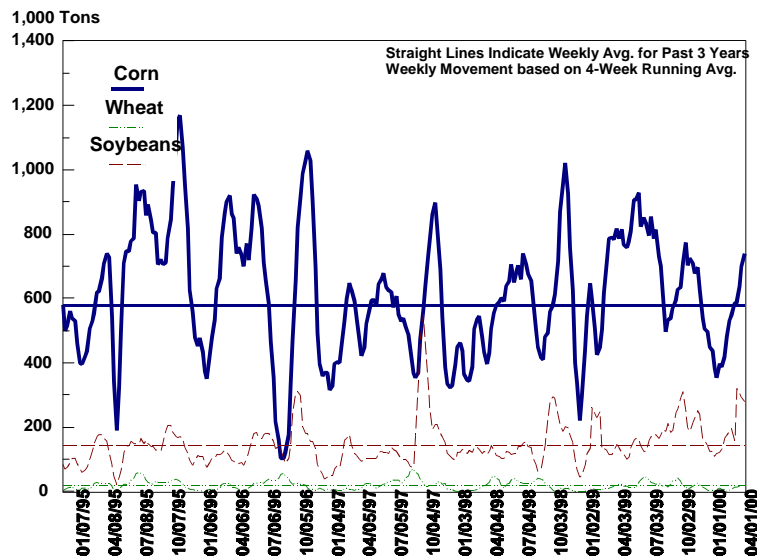
## Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/29/00	629	1,804	2,998	110
04/05/00	355	2,076	2,601	237
04/12/00	214	1,509	2,592	191
04/19/00	639*	2,090	2,710	273
04/26/00	302*	1,940	2,385	233
05/03/00	402	1,407**	2,139	76
YTD 2000	15,381	37,268	55,451	6,665
YTD 1999	8,985	42,557	52,854	6,712
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation &amp; Marketing/AMS/USDA

(\*) Revised Data

(\*\*) Incomplete Data

**Rail Deliveries to Port****Barge Movements - Locks 27****Barge Grain Movements**

for week ending 5/6/00

	Corn	Wht	Sybn	Total
1,000 Tons				
<b>Mississippi River</b>				
Rock Island, IL (L15)	372	8	48	428
Winfield, MO (L25)	481	20	51	552
Alton, IL (L26)	668	21	77	792
Granite City, IL (L27)	721	21	74	841
<b>Illinois River (L8)</b>	130	2	14	158
<b>Ohio (L52)</b>	20	5	18	46
<b>Arkansas (L1)</b>	0	14	15	29
2000 YTD	10,536	624	3,267	15,105
1999 YTD	11,427	859	2,591	16,169
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
05/04/00	930	495	922	603	277	3,226	7,129	1,856	12,211
This Week Year Ago	1,441	598	1,162	380	115	3,696	8,370	2,253	14,319
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	9,998	3,904	5,283	3,618	878	23,681	33,448	21,794	78,923
98/99 YTD	9,607	2,207	6,009	5,148	935	23,905	31,807	17,713	73,425
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/11/00	186	47	27	144	650	163	112	15	0
2000 YTD	3,289	2,898	662	2,287	12,013	7,458	2,086	125	717
1999 YTD *	3,801	2,705	93	2,155	11,855	5,801	2,342	257	630
% of Last Year	30%	66%	102%	45%	38%	50%	29%	22%	51%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service \* YTD-Year-to-Date (\*98 = 53 week period)

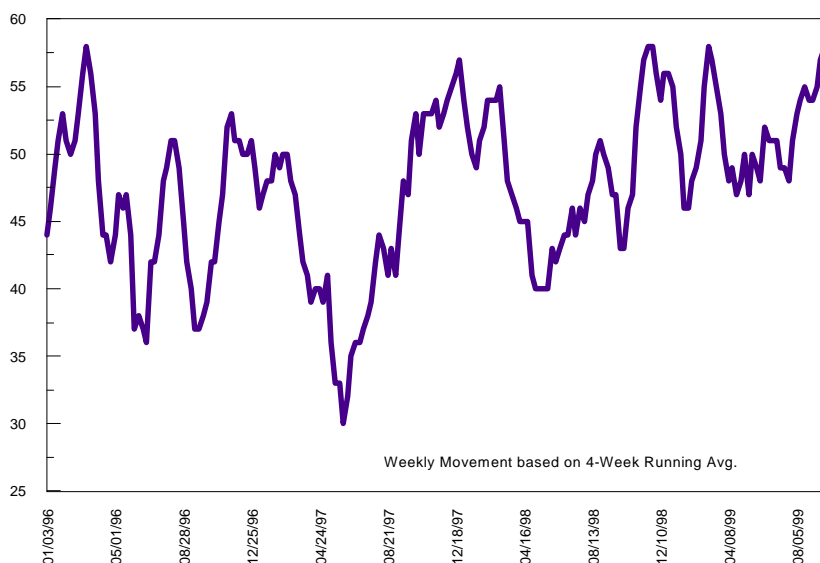
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 5/11/00			
Vancouver	4,399	687	656
Prince Rupert	3,091	3	89
Prairie Direct	844	217	334
Thunder Bay	548	256	202
St. Lawrence	2,198	1,459	0
1999 YTD Exports	11,080	2,622	1,284
1998 YTD Exports	7,670	2,657	744
% of Last Year	144%	99%	173%

Source: Canadian Grains Commission  
YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

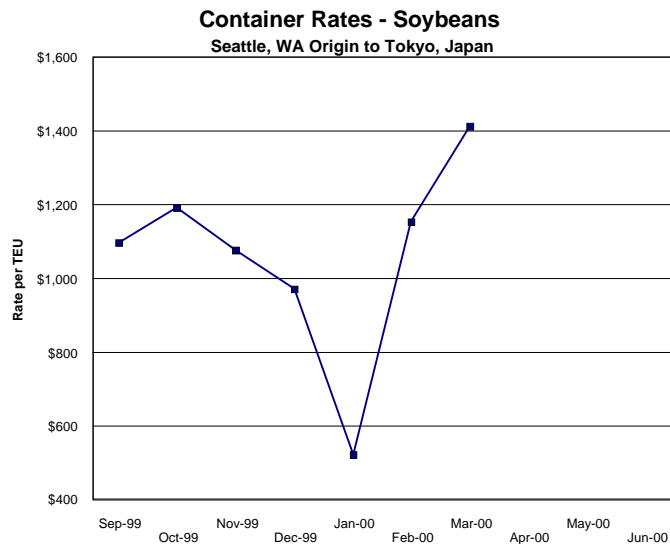
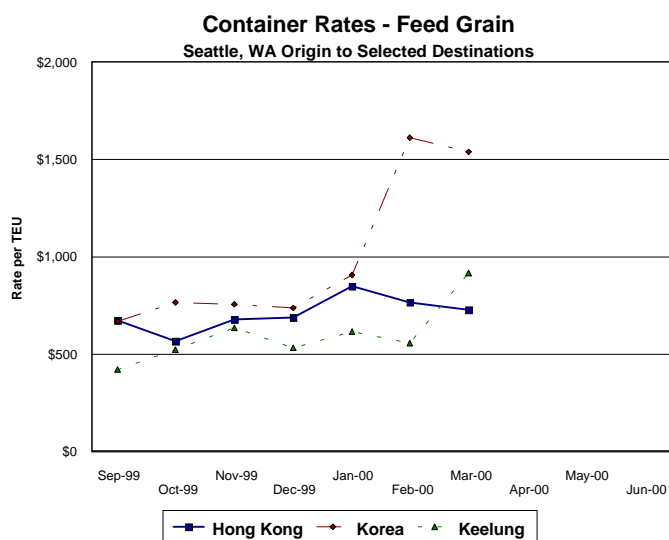
### Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
05/04/00	29	39	47	7			8	8	2
05/11/00	23	44	59	12			12	5	0
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation &amp; Marketing /AMS/ USDA

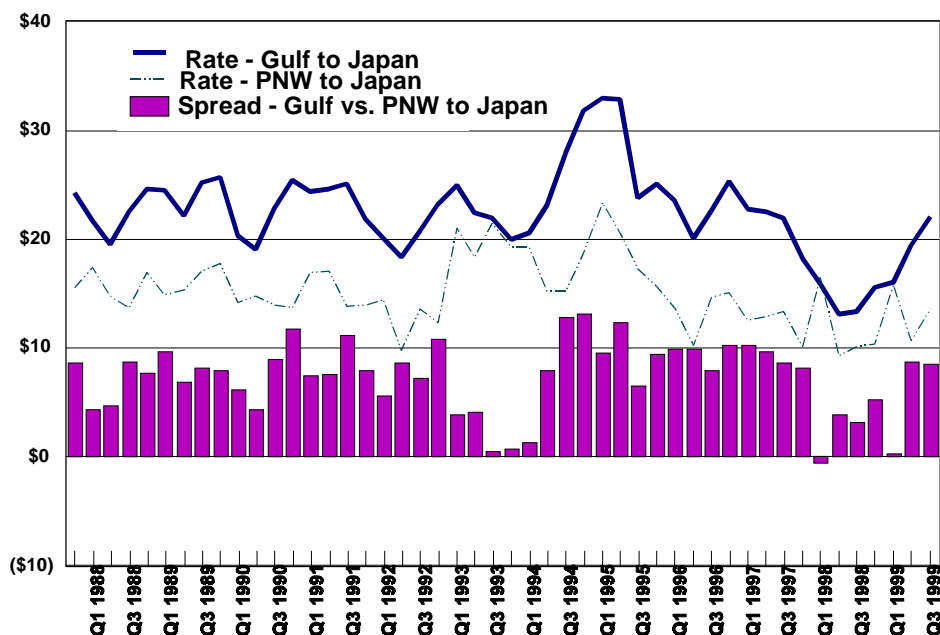
### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation &amp; Marketing /AMS/USDA

## US\$/Metric Ton



Quarterly Ocean Freight Rates

## Quarterly Ocean Freight Rates

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 1 <sup>st</sup> Qtr	1999 1 <sup>st</sup> Qtr	% Change		2000 1 <sup>st</sup> Qtr	1999 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	<b>Argentina to</b>			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation &amp; Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

## Ocean Freight Rates (Select Locations) - week ending 5/13/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Thunder Bay	Greece	Heavy Grain	Spot	18,000	\$30.00
Thunder Bay	Spain (Med.)	Heavy Grain	Prompt	21,000	\$25.00
Great Lakes	Casablanca	Heavy Grain	May15/25	18,000	\$27.75
Gulf	Mexico	Corn/Sorghum	Spot	14,000/8,000	\$15.00
Gulf	Colombia	Heavy Grain	May14/17	20,800	\$18.15
Gulf	Japan	Heavy Grain	June1/15	54,000	\$22.90
PNW	Ecuador	Wheat	May15/30	30,000	\$20.50
River Plate	Chile	Corn/Soybeans	May20/27	30,000	\$23.00
River Plate	Spain	Corn	May15/22	25,000	\$22.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option